THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) In a meeting convened between the representatives of the oil marketing companies and the ethanol industry on 16.3.2005, it was *inter-alia* indicated that a Memorandum of Understanding (MoU) could be signed between the oil marketing companies and the Indian Sugar Mills Association (ISMA) for sustained supply of ethanol at reasonable prices.

(b) The States notified for supply of ethanol-blended petrol in terms of Gazette Notification No. GSR 705(E) dated 27.10.2004, are Maharashtra, Gujarat, Goa, Uttar Pradesh, Uttaranchal, Haryana, Punjab, Karnataka, Andhra Pradesh (All districts except Chittoor & Nellore) and Tamil Nadu (only in Coimbatore, Dindigul, Erode, Kanayakumari, Nilgiris, Ramanathpuram, Tirunelveli, Tuticorin & Virudhunagar) and the Union territories of Daman & Diu, Dadra & Nagar Haveli & Chandigarh.

(c) Since molasses, a derivative of sugar used for the manufacture of ethanol, is a decontrolled item and ethanol manufacturing is a de-licensed activity, no data is being maintained regarding the production of ethanol.

Subsidy for diesel for agricultural sector

920. SHRI S.P.M. SYED KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the prices of petroleum products have been hiked steeply even after the assurance made by Government not to increase the prices;

(b) whether the price of diesel has also been hiked;

(c) whether Government have announced any subsidy for diesel for agricultural use; and

(d) if so, the justification for price increase and not giving subsidy for diesel for agricultural use?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) Considering the impact of spiraling international oil prices, changes in the duty structure and quality upgradation of fuels, the Government, keeping in view the interest of the consumers, have limited the increase in petrol and diesel to Rs.2.50/litre and Rs.2.00/litre respectively at Delhi with effect from the midnight of 20th/21st June 2005 with corresponding increase in other States/UTs.

The prices of diesel are uniform for different sections of society throughout the country and no subsidy on diesel is provided from the Union Budget.

As regards subsidy to farmers using diesel pumps, the Department of Agriculture and Co-operation have a capital subsidy scheme to provide subsidies to small and marginal farmers for procurement of pump-sets.

Creation of monolithic oil entities

921. SHRI R.K. ANAND : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have any plan to create three monolithic PSU oil entities;

(b) whether it is a fact that the Indian oil companies indulge in destructive competition both at home and abroad; and

(c) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) No such proposal is under consideration of the Government.

(b) and (c) The Planning Commission in its Mid Term Review of the Tenth Plan has, *inter-alia*, stated that oil Public Sector Undertakings (PSUs) are competing with one another leading to sub-optimal investments, and that there is a need to review the investment programme of each Oil PSU and take an integrated view of the sector for optimal investment of public funds. While Oil PSUs take investment decisions based on their business and commercial considerations from out of their own internal resources, Government also intervenes wherever considered necessary with a view to avoiding unhealthy competition between them and enabling optimal investments in the sector as a whole. Government also approves the Annual Plan Outlays proposed by oil PSUs.

Violation of environment norm by Private Companies

†922. SHRI KALRAJ MISHRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have given the contract to private companies for the exploration of oil at some new place in the country;

†Original notice of the question was received in Hindi.